

**LEGISLATIVE SERVICES AGENCY
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FISCAL IMPACT STATEMENT

LS 7020

BILL NUMBER: HB 1365

NOTE PREPARED: May 2, 2005

BILL AMENDED: Apr 29, 2005

SUBJECT: Local Government Matters.

FIRST AUTHOR: Rep. Hoffman

FIRST SPONSOR: Sen. Lewis

BILL STATUS: Enrolled

FUNDS AFFECTED: **GENERAL**
 DEDICATED
 FEDERAL

IMPACT: Local

Summary of Legislation: The bill provides that in the year in which a newly elected county officer takes office, the county fiscal body may change the compensation for holding the county office if: (1) the county officer requests the compensation change or, in the case of the county executive body, a majority of the county executive body requests the change; and (2) the county fiscal body approves the change.

This bill allows township governments to merge upon the adoption of identical resolutions by the township boards (presented to the township boards by the township trustees) and an ordinance by the county legislative body. It allows merged township governments to dissolve the merged government and be reestablished as separate governments upon adoption of an ordinance by the county legislative body.

The bill also allows a sheriff to charge a person enforcing a mortgage foreclosure judgment a fee of not more than \$200 for sheriff's sale costs.

Effective Date: January 1, 2005 (retroactive); July 1, 2005.

Explanation of State Expenditures:

Explanation of State Revenues:

Explanation of Local Expenditures: *Merger of Townships:* The bill allows two or more townships to merge if each participating township adopts identical resolutions approving a merger. The county legislative body where the townships are located must adopt an ordinance ordering the merger. The county legislative body can

not adopt an ordinance ordering a merger after January 1 of a year in which a general election is held and a township trustee is elected. The merger becomes effective when the officers of the new township are elected. The bill also provides procedures for dissolving a township government merger.

The merging of townships could reduce township expenses if there was a net reduction in personnel funded by the new township. The savings would depend on the townships merged and expenditures of the old townships.

Explanation of Local Revenues: *County Officer Compensation:* The bill also allows the compensation of a newly elected county officer to be changed if it is requested by the officer and then approved by the county fiscal body. The fiscal impact of this provision is dependent on if the change is an increase or decrease in compensation.

Sheriff Sale Fee: Under the bill, county sheriffs would have the option to impose an administrative fee of up to \$200 to cover the cost of a sheriff's sale of property. The number of mortgage foreclosures in which a final judgment was issued during CY 2003 are included in the *Indiana Judicial Report*. In CY 2003, 28,362 mortgage foreclosures were reportedly disposed in Indiana's trial courts. In CY 2002 the number of foreclosures disposed was 15,740. If all of these foreclosures resulted in a sale of property, the estimated amount of revenue collected from this fee would be approximately \$5.6 M (28,362 cases x \$200). Revenue generated by the fee is to be used for actual costs associated with selling mortgaged premises that have been foreclosed.

Background: Under current law, sheriffs are required to charge a fee of \$10 to a sole owner of property for the service of a written notice of a sheriff's sale. The \$10 fee is currently deposited into the county general fund.

State Agencies Affected:

Local Agencies Affected: Counties, townships, sheriff departments.

Information Sources: Division of State Court Administration, *2003 Indiana Judicial Report*.

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